



October 28, 2013

Mez Varol
President
International Academy
2550 South Ridgewood Avenue
South Daytona, Florida 32119-3451

United Parcel Service
Tracking Number 1ZA5467Y0192001249

RE: Final Program Review Determination
OPE ID: 02257900
PRCN: 201240427974

Dear Mr. Varol:

The U.S. Department of Education's (Department's) School Participation Division - Atlanta issued a program review report on October 11, 2012 covering International Academy's (IA) administration of programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2010-2011 award year. IA's final response was received on February 14, 2013. A copy of the program review report (and related attachments) and IA's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by IA upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

Purpose:

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to close the review.

Protection of Personally Identifiable Information (PII):

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

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International Academy

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findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample.

Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. §§ 668.24(e)(1), (e)(2), and (e)(3).

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Melody Parker-Venable at (404) 974-9299. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,

(b)(6); (b)(7)(C)

Charles Engstrom
Division Director

Enclosure:

Protection of Personally Identifiable Information

cc: Annette DeJournett, Financial Aid Administrator
FL Commission for Independent Education – Florida Department of Education

Prepared for
**International
Academy**

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**OPE ID 02257900
PRCN 201240427974**

**Prepared by:
U.S. Department of Education
Federal Student Aid
School Participation Division - Atlanta**

Final Program Review Determination

October 28, 2013

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A. Institutional Information

International Academy
2550 South Ridgewood Avenue
South Daytona, Florida 32119

Type: Proprietary

Highest Level of Offering: Non-Degree Granting Institution

Accrediting Agency: National Accrediting Commission of Cosmetology Arts and Sciences (NACCAS)

Current Student Enrollment: 205 (2011-2012)

% of Students Receiving Title IV, HEA funds: 98.5% (2011-2012)

Title IV, HEA Program Participation (PEPS):

	<u>2011-2012</u>
Federal Pell Grant (Pell)	\$ 966,145
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$ 34,733
Direct Loans (DL)	\$1,707,635

Default Rate DL:	2010	13.4%
	2009	14.4%
	2008	10.5%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at International Academy (IA) from July 10, 2012 to July 12, 2012. The review was conducted by Melody Parker-Venable and Lynette Davis.

The focus of the review was to determine IA's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of IA's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and consumer information requirements.

A sample of 15 files was identified for review from the 2010-2011 award year. The student files were selected randomly from the list of students who: 1) withdrew or ceased attendance for any reason other than graduation; 2) were selected for verification; and 3) received all non-passing grades ("0" GPA) for any term within the award year being reviewed. Appendix A identifies the student whose files were examined during the program review. A program review report was issued on October 11, 2012.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning IA's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve IA of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

C. Findings and Final Determinations

Resolved Findings

Findings 4, 5, 6, and 7

IA has taken the corrective actions necessary to resolve findings 4, 5, 6, and 7 of the program review report. Therefore, these findings may be considered closed. Appendix C contains the institution's written response related to the resolved findings. Findings requiring further action by IA are discussed below.

Findings with Final Determinations

The program review report findings requiring further action are summarized below. At the conclusion of each finding is a summary of IA's response to the finding, and the Department's final determination for that finding. A copy of the Compliance Assurance Review report issued on October 11, 2012 is attached as Appendix B.

Finding 1. Leave of Absence Policy not Adequately Developed

Citation Summary: 34 C.F.R. § 668.22(d), Approved Leave of Absence

A Leave of Absence (LOA) is an approved LOA if:

- (i) The institution has a formal policy regarding leave of absence.***
- (ii) The student followed the institution's policy in requesting the LOA.***
- (iii) The institution determines that there is a reasonable expectation that the student will return to the institution.***

- (iv) *The institution approved the student's request for LOA in accordance with the policy.*
- (v) *The LOA does not involve additional charges by the institution.*
- (vi) *The number of days in the approved LOA, when added to the number of days in all other approved leave of absence, does not exceed 180 days in any 12-month period.*
- (vii) *Upon the student's return to the institution from the leave of absence, the student is permitted to complete the coursework he or she began prior to the leave of absence.*
- (viii) *If the student is a Title IV, HEA program loan recipient, the institution explains to the student, prior to granting the LOA, the effects that the student's failure to return from the LOA may have on the student's loan repayment terms, including the exhaustion of some or all of the student's grace period.*

Noncompliance Summary: *IA's LOA policy did not define the procedures that a student must follow when applying for an LOA and the criteria IA will apply in determining whether to approve the application. The policy failed to specify that:*

- *the reason for a student's LOA request must be included on the student's request for LOA;*
- *inform student's that all requests for LOA must be submitted in writing;*
- *must be signed; and*
- *must be dated.*

Required Action Summary: *IA was required to update its LOA policy to include all of the required components, as explained in 34 C.F.R. § 668.22(d). IA was also required to provide a copy of the updated LOA policy in its response to this finding.*

IA's Response: IA states, in its response, that a copy of the LOA policy and procedures is included in the Student Handbook and a summarized version is located in the school catalog.

In addition to the LOA policy and procedure contained in the Student Handbook and the school's catalog, IA states that a copy of the LOA policy is also maintained in the school's Operations Manual. For this reason, IA disagrees with this finding.

IA states that action was taken to correct the catalog policy to reflect the exact language of both the Student Handbook and the Operations Manual.

Final Determination: IA submitted a copy of its LOA policy just as it was stated during the on-site program review. The Department contacted the Financial Aid Administrator and President of IA to request that the policy be updated to include the required data:

- the reason for a student's LOA request must be included on the student's request for LOA;
- inform student's that all requests for LOA must be submitted in writing;
- must be signed; and
- must be dated.

IA made adjustments to the LOA policy and provided a copy to this office. The updated LOA policy was reviewed and approved.

This finding is closed.

Finding 2. Improper Leave of Absences (LOA)

Citation Summary: 34 C.F.R. § 668.22(d), *Approved Leave of Absence*
2010-2011 Federal Student Aid Handbook, Volume 5

A Leave of Absence (LOA) is an approved LOA if:

- (i) *The institution has a formal policy regarding leaves of absence.*
- (ii) *The student followed the institution's policy in requesting the LOA.*
- (iii) *The institution determines that there is a reasonable expectation that the student will return to the institution.*
- (iv) *The institution approved the student's request for LOA in accordance with the policy.*
- (v) *The LOA does not involve additional charges by the institution.*
- (vi) *The number of days in the approved LOA, when added to the number of days in all other approved leaves of absence, does not exceed 180 days in any 12-month period.*
- (vii) *Upon the student's return to the institution from the leave of absence, the student is permitted to complete the coursework he or she began prior to the leave of absence.*
- (viii) *If the student is a Title IV, HEA program loan recipient, the institution explains to the student, prior to granting the LOA, the effects that the student's failure to return from the LOA may have on the student's loan repayment terms, including the exhaustion of some or all of the student's grace period.*

In addition to the above, an institution's LOA policy is a "formal policy" if the policy requires the student to provide a written, signed, and dated request, that includes the reason for the request for a leave of absence, prior to the leave of absence.

The 2010-2011 Federal Student Aid Handbook, Volume Five, Chapter Two, page 32-38, addresses the requirements of an acceptable Leave of Absence policy. Volume Five

explains that the student must apply in advance for an LOA unless unforeseen circumstances prevent the student from doing so.

*Additionally, this segment of the Federal Student Aid Handbook further explains that any LOA that does not meet **all** the conditions for an approved LOA is considered a withdrawal for Title IV purposes. The student's withdrawal date is the student's last day of attendance.*

Noncompliance Summary: *IA granted a Leave of Absences that did not meet the conditions of an approved LOA. The students identified in this finding should have been withdrawn, requiring IA to perform a Return to Title IV calculation. The students identified, for this finding, from the student sample were: 5, 7, 10, 11, and 14.*

Student Number 5: On 8/11/2010, the student sent an email stating that she was experiencing a financial hardship, and her last date of attendance was 7/30/2010. The student requested an LOA but was unsure as to when she might return to the school. On 8/25/2010, a second email message was received from the student. In the email, the student requested to withdraw from the school for the purpose of seeking fulltime employment. At this point, the student should have been withdrawn from the institution and the last date of attendance should have been recorded as 7/30/2010.

FSA funds were issued for this student in the following amounts:

Title IV Program	Date of Payment	Amount
Pell Grant	8/3/2010	\$2775

Student Number 7: On 6/1/2010, the student enrolled in the Cosmetology program as a full-time student, scheduled to attend 30 hours per week. IA noted on the Student Information Record that the student was on LOA from 8/18/10 through 1/4/2011; however, the student's file does not include a request, reason, or approval for the LOA. The student was later withdrawn for failure to return. The Return to Title IV documentation reports the student's Date of Withdrawal as 1/18/2011 and the Date of Determination as 12/29/2010. The student's Date of Withdrawal should have been 8/18/2010.

FSA funds were issued for this student in the following amounts:

Title IV Program	Date of Payment	Amount
Pell Grant	6/18/2010	\$2775
Direct Loan Subsidized	7/16/2010	\$1742
Direct Loan Unsubsidized	7/16/2010	\$2985

Student Number 10: The student's Last Date of Attendance (LDA) was 9/14/2010. The student requested a LOA that was submitted after 9/24/2010 (one week after the LDA).

The reason stated for the LOA request was due to 'seek employment'. The LOA was approved by an IA school official on 1/4/2011. The student never returned from the LOA.

FSA funds were issued for this student in the following amounts:

<i>Title IV Program</i>	<i>Date of Payment</i>	<i>Amount</i>
<i>Pell Grant</i>	<i>8/31/2010</i>	<i>\$2471</i>
<i>FSEOG</i>	<i>8/31/2010</i>	<i>\$100</i>
<i>Direct Loan Subsidized</i>	<i>9/21/2010</i>	<i>\$1750</i>
<i>Direct Loan Unsubsidized</i>	<i>9/21/2010</i>	<i>\$3000</i>

Student Number 11: The student enrolled in the Full Specialty program (600 clock hours) with a start date of 7/6/2010. The student ceased attending from 8/14/2010 through 8/30/2010; however, a written notification dated 8/17/2010 was provided to the institution. The written notification stated that the student was leaving school to enter the U.S. Marine Corps. The student had attended 129.50 hours of the 180 scheduled hours, at that time. There are two payment periods consisting of 300 clock hours each for the Full Specialty program.

A Return to Title IV (R2T4) calculation was performed on 8/19/2010. The R2T4 calculation was processed based on inaccurate information regarding the number of scheduled hours at the time the student withdrew. IA reported the scheduled hours as 195. The number of scheduled hours should have been recorded as 180 hours. The error was the result of a discrepancy between the Weekly Scheduled Hours stated on the Enrollment Agreement and the Weekly Scheduled Hours as stated on the Attendance Detail Report for full-time students enrolled at IA. The student completed 60% of the scheduled hours; therefore, no refund was due to the student.

The discrepancy with the scheduled hours for full-time students is addressed in Finding 4.

The student returned to the institution on 8/31/2010 and was placed in LOA status beginning 12/1/2010 and ending 12/31/2010. The reason provided was 'to allow the student to work'. The student's file does not contain a written request for the second LOA and nor does it contain documentation of the approval for the LOA.

The student did not return from the LOA until 3/15/2011 (approximately 10 weeks after the scheduled end date of the LOA). The student should have been withdrawn and the last date of attendance recorded as 11/30/2010. IA did not withdraw the student nor did IA perform the R2T4. The student was permitted to remain enrolled until 4/20/2011.

FSA funds were issued for this student in the following amounts:

Title IV Program	Date of Payment	Amount
Pell Grant	8/18/2010	\$1850
	10/29/2010	1850
Direct Loan Subsidized	8/10/2010	\$1162
	10/29/2010	\$1161
Direct Loan Unsubsidized	10/10/2010	\$664
	10/29/2010	\$663
Direct Loan PLUS	12/15/2010	\$887
	12/15/2010	\$887
FSEOG	8/18/2010	\$50
	10/29/2010	\$50

Student Number 14: The student's last date of attendance was 11/05/2010. The student requested approval for LOA due to 'transportation issues', via email on 12/2/2010 (approximately 30 days after the student's LDA). The initial LOA request stated that the student was expected to return on 1/4/2011. When the student did not return, an IA school official attempted to contact the student on 1/6/2011 and 1/14/2011. IA granted an undocumented extension of the LOA, extending the LOA through 2/8/2011. On 2/8/2011, the student did not return from the LOA. On 2/22/2011 (14 days after the student was due to return), IA granted another undocumented extension that was scheduled to continue through 3/15/2011; however, the student returned on 3/1/2011. The student should have been withdrawn due to failure to return and an R2T4 calculation should have been performed. IA permitted the student to remain enrolled.

After returning from the LOA, the student attended 63.39 of the 180 scheduled hours (approximately 36%) and ceased attending on 4/16/2011. On 4/21/2011, the student notified IA that she was withdrawing due to 'personal reasons'. IA performed an R2T4 upon notification of the student's withdrawal.

FSA funds were issued for this student in the following amounts:

Title IV Program	Date of Payment	Amount
Pell Grant	7/21/2010	\$1850
	10/22/2010	\$1850
FSEOG	7/21/2010	\$50
	10/22/2010	\$50
Direct Loan Subsidized	8/10/2010	\$1162
	10/22/2010	\$1161
Direct Loan Unsubsidized	8/10/2010	\$1990
	10/22/2010	\$1990

Required Action Summary: *IA was required to conduct a file review of all 2010-2011 Title IV recipients (to include the students in the sample in Appendix A), granted a LOA to determine if any students were improperly approved for LOA.*

IA was required to provide a copy of the student's written request for LOA. If a copy of the written request was not provided, IA was required to perform an R2T4 calculation and provide a copy of the calculation to this office.

IA was required to engage an Independent Public Accountant (IPA) to test the file review completed by IA.

IA's Response: IA stated that they do not agree with this finding. However, a file review was conducted of all 2010-2011 Title IV recipients (including the student sample), to determine if any students were improperly approved for a LOA. There were 100 Title IV recipients who were placed on LOA during the 2010-2011 award year.

Final Determination: The file review conducted by IA for this finding was reviewed. The file review revealed that 100 Title IV recipients were approved for LOA. Of the 100 students approved for LOA, 66 students returned to the institution at the conclusion of their LOA status. There were 32 students who failed to return from LOA and 2 students whose LOA was not documented.

IA performed the Return to Title IV calculations for the 32 students who failed to return and re-verified the calculations to ensure that total refunded for each student was correct.

IA has updated its LOA policy as required in Finding Number 1 and has included the updated policy in the Student Catalog and Student Handbook so that the students are properly notified of what conditions and circumstances are acceptable for LOA and to ensure that students are appropriately informed of the procedures to request the LOA.

Finding 3. Satisfactory Academic Progress Policy Not Developed/ Monitored

Citation Summary: 34 C.F.R. § 668.16, *Standards of Administrative Capability*
34 C.F.R. § 668.32, *Student Eligibility*

34 C.F.R. § 668.16 states that to be eligible for Federal Student Aid, a student must make satisfactory academic progress. Your school must have a satisfactory academic progress policy that includes both a qualitative (such as the use of cumulative grade point average) and a quantitative measure (such as a maximum time frame of 150% for completion) of the student's progress.

The following standards must be included:

1. *Qualitative Measure: Grades, work projects completed, or comparable factors, which are measured against a norm.*

2. *Quantitative Measure: A maximum timeframe in which the student must complete his or her educational program. The time frame must be (1) based on the student's enrollment status; (2) for an undergraduate program, no longer than 150 percent of the published length of the educational program for a full-time student; and (3) divided into increments of equal size, not to exceed the lesser of one academic year or one-half the published length of the educational program.*
3. *A schedule established by the institution designating the minimum percentage or amount of work that a student must successfully complete at the end of each increment to complete his or her educational program within the maximum time frame.*
4. *A determination at the end of each increment by the institution whether the student has successfully completed the appropriate percentage or established schedule.*
5. *Consistent application of standards to all students within categories of students, i.e. full-time, part-time, undergraduate and graduate students, and educational programs established by the institution.*
6. *Specific policies defining the effect of course incompletes, withdrawals, repetitions, and non-credit remedial course on satisfactory progress.*
7. *Specific procedures under which a student may appeal a determination that he or she is not making satisfactory progress.*
8. *Specific procedures for reinstatement of aid.*

Additionally, pursuant to 34 C.F.R. § 668.32, a student who is eligible to receive Title IV funds:

- *must be a regularly enrolled student in an eligible program;*
- *is not enrolled in elementary or secondary school;*
- *must have a valid high school diploma or equivalent; and*
- *must make satisfactory academic progress; must meet enrollment status requirements; must have resolved any drug conviction issue.*

***Noncompliance:** IA's SAP policy states that each student must meet a **monthly** attendance requirement of 67% of the scheduled hours to be considered as meeting SAP. The SAP policy also states that the progress evaluation period for each program is as follows:*

Cosmetology Scheduled Hours for Progress Evaluation: 450 hours, 900 hours, and 1200 hours

Nail Tech Scheduled Hours for Progress Evaluation: 120 hours and 240 hours

Skin Care Hair Removal & Spa Progress Evaluation: 155 hours and 310 hours

Spa Specialist Students Progress Evaluation: 450 hours and 910 hours

Full Specialty and Massage Therapy Progress Evaluation: 300 hours and 600 hours

The monthly attendance requirement conflicts with the pre-set evaluation periods. In addition to the conflicting requirements, the following students did not meet the monthly attendance requirement and/ or the progress evaluation minimum requirement.

Student Number 2: Enrolled in the Full Specialty Program – 600 hours (full-time at 30 hours per week). The student's start date is 9/14/10. The student did not meet the minimum monthly attendance requirement of 67%. In addition to not meeting the attendance requirement, the student exceeded the maximum timeframe of 30 weeks, making the student ineligible to receive additional Federal Student Aid (FSA) funds.

*The student reached 300 **scheduled** clock hours and 15 weeks at the end of December 2010 but had **attended** only 152.65 actual hours. This represents a 47% attendance rate, indicating that the student was not meeting the SAP requirement. The student's file documentation erroneously states that the student was meeting the SAP requirement.*

During April 2011, the student reached 600 scheduled clock hours and 31 weeks, but had only achieved 307.45 actual clock hours; representing a 47.7% attendance rate. The student should have been withdrawn not later than the beginning of November 2010.

Student #2					
Month	Scheduled Hours	Actual Hours	Monthly Attendance Percentage	Cumulative Hours Scheduled	Cumulative Hours Attended
Sep 2010	78	67.88	87%	78	67.88
Oct 2010	102	29.23	28.6%	180	97.11
Nov 2010	76	24.89	32.7%	256	122.00
Dec 2010	68	30.65	45%	324	152.65
Jan 2011	80	97.78	122%	404	250.43
February 2011	80	26.15	32.6%	484	276.58
March 2011	80	23.16	28.9%	564	299.74
April 2011	80	7.68	9%	644	307.42
May 2011	84	34.2	40.7%	728	341.62
June 2011	78	32.57	41.7%	806	374.19

IA disbursed FSA funds for Student Number 2 after the point at which the student should have been withdrawn. The chart below reflects funds disbursed for Student Number 2 for this finding.

Title IV Program	Date of Payment	Amount
Pell Grant	10/22/2010	\$1850
	3/30/2011	\$1850
FSEOG	10/22/2010	\$50
	3/30/2011	\$50
Direct Loan Subsidized	10/26/2010	\$1161

	3/30/2011	\$1161
Direct Loan Unsubsidized	10/26/2010	\$663
	3/30/2011	\$663
PLUS	3/30/2011	\$3156
	3/30/2011	\$3156

Student Number 4: Enrolled in the Cosmetology Program (full-time/ 30 hours per week). Student's Start Date is 9/14/2010. The student's attendance fell below the monthly 67% minimum monthly requirement from September 2010 through May 2011. Though there was sufficient cause to withdraw the student by the end of October 2010, IA did not withdraw the student until June 2011. The student's attendance during her enrollment period is reflected in the chart below.

Student #4	Schedul ed Hours	Actual Hours	Monthly Attendance Percentage	Cumulative Hours Scheduled	Cumulative Hours Attended
Month					
Sep 2010	90	58.69	66%	90	58.69
Oct 2010	120	23.10	20%	210	81.79
Nov 2010	120	9.25	8%	330	91.04
Dec 2010	102	5.84	6%	432	96.88
Jan 2011	120	8.77	8%	552	105.65
Feb 2011 (no attendance from 2/18/2011- 3/18/2011)	84	0.85	1%	636	106.50
Mar 2011	120	8.85	8%	756	115.35
Apr 2011	120	3.57	3%	876	118.92
May 2011	116	7.27	7%	992	126.19

The institution continued to disburse FSA funds though the student never met the minimum attendance requirement during the entire enrollment period. IA disbursed FSA funds for Student Number 2 after the point at which the student should have been withdrawn. This chart reflects funds disbursed for Student Number 4.

Title IV Program	Date of Payment	Amount
Pell Grant	10/6/2010	\$2775
FSEOG	10/6/2010	\$100
Direct Loan Subsidized	10/26/2010	\$1742
Direct Loan Unsubsidized	10/26/2010	\$2985

Student Number 6: Enrolled in the Cosmetology Program (part-time/ 20 hours per week). Student's Start Date is 8/10/2010. The student's attendance during her enrollment period is reflected in the chart below.

Student # 6					
Month	Scheduled Hours	Actual Hours	Monthly Attendance Percentage	Cumulative Hours Scheduled	Cumulative Hours Attended
Aug 2010	64	46.63	73%	64	46.63
Sep 2010	88	47.44	54%	152	94.07
Oct 2010	88	38.15	44%	240	132.22
Nov 2010	76	26.39	35%	316	158.61
Dec 2010	68	14.69	22%	384	173.30
Jan 2011	80	17.48	22%	464	190.78
Feb 2011	80	11.88	15%	544	202.66

The student's attendance fell below the monthly attendance requirement of 67% from September 2010 thru January 2011. The student reached 450 scheduled hours in January 2011; however, the students overall actual hours attended at that time was 43%. The student should have been withdrawn not later than the end of October 2010. FSA funds continued to be disbursed on behalf of Student Number 6. The amount of funds (by program) is reflected in the chart below.

Title IV Program	Date of Payment	Amount
Pell Grant	8/31/2010	\$2775
FSEOG	8/31/2010	\$100
Direct Loan Subsidized	10/22/2010	\$1742
Direct Loan Unsubsidized	10/22/2010	\$2985

Student Number 12: On 5/31/2011, the student enrolled in the Cosmetology program (part-time/ 20 hours per week). The student did not meet the attendance requirements, as stated in the school's policy. In order to meet SAP, the student must attend not less than 67% of the monthly scheduled clock hours. The actual hours attended for Student Number 12 are reflected in the chart below.

Student # 12					
Month	Scheduled Hours	Actual Hours	Monthly Attendance Percentage	Cumulative Hours Scheduled	Cumulative Hours Attended
Sep 2011	92	44.9	48.8%	92	44.9
Oct 2011	80	28.2	35.2%	172	73.10
Nov 2011	80	23.32	29.1%	252	96.42
Dec 2011	72	9.25	12.8%	324	105.67
Jan 2012	84	39.7	47.2%	408	145.37
Feb 2012	84	26.6	31.6%	492	171.97

The LDA for Student Number 12 is 3/10/2012; however, the student's attendance fell below the monthly requirement of 67% for September 2011 through February 2012. The student was never placed on probation and should have been withdrawn not later than

the beginning of October 2011; however, the student was not withdrawn until 3/10/2012. FSA disbursements made on behalf of Student Number 12 are provided in the chart below.

Title IV Program	Date of Payment	Amount
Pell Grant	7/5/2011	\$2775
FSEOG	7/5/2011	\$100
Direct Loan Subsidized	7/5/2011	\$1742
Direct Loan Unsubsidized	7/5/2011	\$2985

Student Number 13: The student enrolled in the Cosmetology Program (part-time at 20 hours per week) with a start date of 5/31/2011. During the time the student was enrolled, the student never met the minimum attendance requirement of 67%. The student's scheduled hours, actual hours, and attendance percentage are reflected in the chart below.

Student # 13					
Month	Scheduled Hours	Actual Hours	Monthly Attendance Percentage	Cumulative Hours Scheduled	Cumulative Hours Attended
Jun 2011	92	65.01	70.6%	92	65.01
Jul 2011	88	58.62	66.6%	180	123.63
Aug 2011	88	28.70	32.6%	268	152.33
Sep 2011	84	3.37	4%	352	155.70

Based on the attendance data, Student Number 13 should have been withdrawn not later than the end of July 2011. The student's last date of attendance was 9/1/11. The student's file contains two 'Advising Form -B' documents. According to the information on these documents, IA was aware of the student's poor attendance records. The 'Advising Form B' dated 8/16/2011 states the student's last date of attendance was 8/6/11. The second 'Advising Form B', dated 10/11/11, states that the student's last date of attendance was 9/1/11. Funds disbursed for Student Number 13 are provided in the chart below.

Title IV Program	Date of Payment	Amount
Pell Grant	8/29/2011	\$2775
Direct Loan Subsidized	7/1/2011	\$1742
Direct Loan Unsubsidized	7/1/2011	\$1982

Student Number 14: The student enrolled as a full-time student in the Full Specialty program. This is a 600 clock hour program and the weekly scheduled hours for a full-time student are 30 clock hours. The student's start date is 7/6/2010. For the months of July and August 2010, the student did not meet the minimum attendance requirement.

During the month of November 2010, the student did not attend during any of the scheduled hours, but later (December 2, 2010) requested a LOA. The student should have been withdrawn due to poor attendance during the month of November 2010; however, IA permitted the student to remain in an active enrollment status. The student's actual attendance data is provided in the chart below.

Student #14					
Month	Scheduled Hours	Actual Hours	Monthly Attendance Percentage	Cumulative Hours Scheduled	Cumulative Hours Attended
Jul 2010	120	69.99	58.3%	120	69.99
Aug 2010	126	64.78	51.4%	246	134.77
Sep 2010	132	140.18	106%	378	274.95
Oct 2010	132	103.97	78.7%	510	378.92
Nov 2010 – Feb 2011	Leave Of Absence	-	-	510	378.92
Mar 2011 (absent from 3/4/11 – 3/17/11)	120	56.72	47.2%	630	435.64
Apr 2011	36	6.67 (1 day only)	19%	666	442.31

Based on the student's actual percentage of attendance, the student should have been withdrawn not later than the beginning of September 2010. The student was permitted to remain enrolled until 4/12/2011 (student's last date of attendance). FSA funds disbursed on the student's behalf are provided in the chart below.

Title IV Program	Date of Payment	Amount
Pell Grant	7/21/2010	\$1850
	10/22/2010	\$1850
FSEOG	7/21/2010	\$50
	10/22/2010	\$50
Direct Loan Subsidized	8/10/2010	\$1162
	10/22/2010	\$1161
Direct Loan Unsubsidized	8/10/2010	\$1990
	10/22/2010	\$1990

Required Action: IA was required to change/ update its SAP policy and procedures for monitoring the academic progress of FSA recipients to reflect standards and requirements specified in 34 C.F.R. § 668.16 and §668.32.

IA's Response: IA disagrees with this finding and states that the Satisfactory Academic

Progress (SAP) policy contained an error. IA stated, in its response to the PRR, that an error was made when the school used the word "monthly" in the Attendance Progress statement contained in IA's SAP policy for each program.

IA has since updated its SAP policy to remove the word "monthly" from the statement. IA updated SAP policy now states the following:

Attendance Progress is evaluated on a cumulative basis. At each pre-set evaluation point the cumulative attendance will be added to attendance from the preceding months, divided by the scheduled attendance to date, to determine if the student is progressing towards completion and will be able to complete their program within the maximum timeframe of 150%."

Final Determination: This finding occurred because IA had, at the time of the review, an attendance requirement which stated that a fulltime or part-time student must attend at least 67% of their scheduled hours per month in order to be considered making satisfactory progress and to complete the program within the maximum time frame.

IA has since updated its SAP policy in response to the Program Review Report. The updated SAP policy submitted by the school for approval from the Department was reviewed. The Department accepts the updated SAP policy.

Because the students identified in this finding for failing to meet SAP were not disbursed Title IV funds beyond the probationary period, there are no liabilities associated with this finding.

This finding is closed.